

Business models and books to abandon

Issued by [Gordon Institute of Business Science](#)

26 Sep 2017

Times of great change and uncertainty offer the opportunity to reassess practices, business models and theories that have traditionally guided thinking across industries.

Dean of the Gordon Institute of Business Science (GIBS), Professor Nicola Kleyn, told a recent forum that management ideas are often context-specific and old concepts which were once fit for their time can become outdated. Because of this, it is necessary to “take time to understand where these theories have come from and when they were written,” she explained.

A panel of leaders drawn from the sectors of brand and reputation management, financial services, talent management and executive leadership education put forward a number of broadly accepted business concepts which they felt were due for interrogation, revision and in some cases, rejection.

Shareholder primacy and the shift towards conscious capitalism

Emmanuel Amaning, Managing Director of wealth management at Caleo Capital SA, said he believed the country is at a precipice and must urgently abandon the model of shareholder primacy, which seeks to serve shareholders at all costs in the pursuit of short-term gains. “We must shifted our focus to impact investing, as simply writing a cheque is no longer enough. We are not investing purely for profit, but investing to make a difference,” he said.

Maslow’s hierarchy of needs

Dr Ilka Dunne, head of leadership, culture and young talent for Rand Merchant Bank, said a re-examination of Maslow’s theory of a hierarchy of needs explaining human motivation was necessary in the current world of work.

“We are in a time and place where there is very definite call for meaning and purpose. As human beings, we seek to constantly evolve our identities and our work identity is absolutely critical to the way we see ourselves. We can no longer find our meaning and purpose outside the workplace, we have to be given opportunities internally,” she said.

One of the drivers of this was the entry of the millennial generation into the workplace. “This batch of amazing young people are what we need in industry because of the way they think and how they see the world,” Dunne added.

Binary models of developed and developing economies

Explanations that treat Africa as a single homogenous entity, including rigid hierarchical or binary models with static notions of developed and developing economies are outmoded, Dunne said. “This notion of talking about Africa as one thing is doing us a disservice and we should take every opportunity to debunk it,” she said.

A renewed focus on Africa

Thebe Ikalafeng, founder of brand and reputation advisory firm Brand Leadership Group, added that Africans needed to abandon their obsession with global brands and rather focus on building their own brands based on local strengths. “Part of the reason the continent is not making any progress is that we should focus on our own likes and needs, and produce our own goods and services,” Ikalafeng said. “We don’t appreciate our own brands and achievements enough. We must look to our own strengths and appreciate what we have got right,” Dunne added.

Business education and leadership training

Business schools should look to create solutions that speak to the African context, rather than referencing old case studies and business models for guidance. Local business education was in need of revision so as to learn from African case studies, Ikalafeng said. While global cases could continue to be useful, local industry should not aim to replicate them, but must interrogate the ideas for contextual relevance.

Dr Graeme Codrington, expert on the future world of work and the disruptive forces that are shaping it, argued that leadership development and executive training was in need of an overhaul. “While we attempt to teach agility, adaptability and how to engage with the unknown, programmes are designed and controlled down to the smallest detail, leaving no room for exploration and discovery.”

Cost cutting and efficiencies

The concepts of efficiency and cost cutting have been implemented across business at the cost of innovation, Codrington said, and needed to be abandoned.

“We have tried to design a system with no latency, which must operate at full efficiency and has no flexibility. Efficiency works exceptionally well in an industrial environment, and cost cutting only in a time of crisis. In other situations they are simply not relevant,” he said.

While innovation was a key objective for many organisations, very few were able to achieve it. The idea of efficiency must be balanced with innovation so as to create an environment where innovation can truly flourish.

Those firms that did make innovation a habit were able to do so because they “gave employees the gift of time. You get more from people when you ask less of them,” he explained.

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